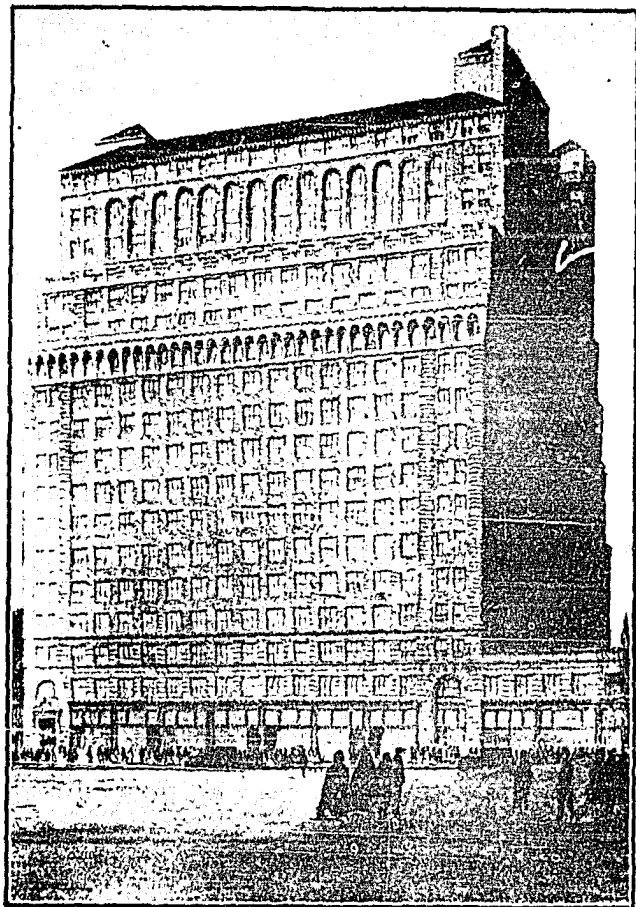


***J. C. Penney Company***  
*Incorporated*

***Financial Statement***

***Operating Six Hundred  
Seventy-Six Stores.*** ☞

***December 31, 1925.***



*J. C. Penney Company Building  
New York, N. Y.*

# J. C. PENNEY COMPANY

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## Income Account For Year Ended December 31, 1925.

Sales		91,062,616.17
Cost of Merchandise Sold, Selling and General Expenses, Depreciation and Reserve for Federal Taxes		<u>84,267,855.72</u>
		6,794,760.45
Discount on Purchases and Miscellaneous Income		<u>657,807.54</u>
Net Profit before Preferred Stock Dividends		7,452,567.99
Less Preferred Stock Dividends Paid from 1925 Earnings:		
First Preferred	149,306.50	
Class A Preferred	<u>444,156.00</u>	<u>593,462.50</u>
Transferred to Surplus		<u><u>6,859,105.49</u></u>

## SURPLUS ACCOUNT

Surplus at January 1, 1925 after Reorganization		4,186,450.79
Net Sundry Additions during Year		<u>121,256.62</u>
		4,307,707.41
Less Common Stock Dividends:		
Paid in Stock	945,900.00	
Paid in Cash	<u>760,850.01</u>	<u>1,706,750.01</u>
		2,600,957.40
Add Net Income for 1925 after deducting Preferred Stock Dividends		<u>6,859,105.49</u>
Surplus at December 31, 1925		<u><u>9,460,062.89</u></u>



# J. C. PENNEY COMPANY

## Balance Sheet

As at December 31, 1925.

### ASSETS

Cash in Banks and On Hand		\$ 3,143,262.57
U. S. Treasury Notes and Accrued Interest—At Cost	\$4,076,130.94	
U. S. Liberty Bonds and Accrued Interest—At Cost	<u>1,028,972.22</u>	5,105,103.16
Merchandise—At Cost or Market, whichever is lower		<u>18,364,202.26</u>
		26,612,567.99
Notes Receivable, due from Employees (Secured by Capital Stock)		986,987.49
Stock Subscription Contracts for Common Stock held for Employees, less payments made		703,219.64
Accounts Receivable, Advances, Etc.: Subsidiary Companies	235,000.00	
Miscellaneous	<u>171,617.59</u>	406,617.59
Investment in Subsidiary Companies—At Cost		50,000.00
Furniture and Fixtures, Etc., less Depreciation		<u>2,744,033.82</u>
		<u>\$31,503,426.53</u>

### LIABILITIES

Accounts Payable, not yet due		2,646,969.53
Reserve for Federal Taxes		<u>1,260,453.30</u>
		3,907,422.83
Reserves for Fire Losses and Employees' Death Benefit Fund		474,120.81
Capital Stock:		
First Preferred 7% Cumulative (Authorized \$10,000,000.00)	2,065,100.00	
Class A Preferred 6% Cumulative (Authorized \$15,000,000.00)	7,402,600.00	
Classified Common (Authorized \$10,000,000.00)	8,192,000.00	
Unclassified Common, No Par—29,217 Shares (Authorized 100,000 Shares)	<u>2,120.00</u>	17,661,820.00
Surplus		9,460,062.89
Contingent Liabilities—None.		
		<u>\$31,503,426.53</u>

### CERTIFICATE OF AUDITORS

We have examined the books and accounts of the J. C. Penney Company for the purpose of verifying the assets and liabilities as at December 31, 1925. We have made a test check of the physical existence of the merchandise stock at a sufficient number of the Company's stores to satisfy ourselves as to the correctness of the inventories; we have also made adequate tests to satisfy ourselves that the basis of valuation is at cost or market, whichever is lower.

We hereby certify that, in our opinion, the foregoing Balance Sheet, which is in agreement with the books, correctly sets forth the financial position of the Company at December 31, 1925.

New York, N. Y.,

March 3, 1926.

PEAT, MARWICK, MITCHELL & CO.

## OFFICERS

J. C. PENNEY,	<i>Chairman of the Board</i>
E. C. SAMS	<i>President</i>
GEO. H. BUSHNELL	<i>Vice-President and Comptroller</i>
J. M. McDONALD	<i>Vice-President</i>
G. G. HOAG	<i>Vice-President</i>
L. A. BAHNER	<i>Secretary</i>
J. I. H. HERBERT	<i>Treasurer</i>

## DIRECTORS

J. C. PENNEY, <i>Chairman</i>	
E. C. SAMS	D. H. MUDD
GEO. H. BUSHNELL	J. I. H. HERBERT
J. M. McDONALD	WILK HYER
G. G. HOAG	F. R. PAYNE
C. E. DIMMITT	D. G. McDONALD